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## FISCAL IMPACT REPORT

SPONSOR Jennings      DATE TYPED 01/26/05      HB \_\_\_\_\_  
 SHORT TITLE Public Accountants Certification Renewal      SB 262  
 \_\_\_\_\_ ANALYST McSherry

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
				Public Accountancy Board Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files  
 Response from RLD

### SUMMARY

#### Synopsis of Bill

This bill amends sections 61-28B-9 and 61-28B-13 NMSA 1978 of the Public Accountancy Act. The amendments to 61-28-9 allow the board to establish annual, rather than biannual renewal rules for certification, allow for the board to withhold renewal of certification when renewal and delinquency fees are not paid within ninety days of license expiration, and provide for reinstatement of certification upon fee payment and board approval.

Amendments to 61-28B-13 specify the deadline for permit renewal for accountancy firms to be June 30<sup>th</sup> of the year of permit expiration, changes firm certification to firm permitting, and provides for 90 days as the time period allowed for submission of renewal delinquency fees' without revocation of permit, rather than specifying September 30th.

According to RLD, this bill reflects the correct expiration dates of both certified public accountant (CPA) licenses and firm permits to practice and the requirements to reinstate an expired CPA license or an expired firm permit to practice.

### Significant Issues

According to RLD, this bill is a technical change only and is intended to separate the renewal requirements for a CPA license from those of a firm permit to practice. Renewal requirements for CPA licenses are currently combined with renewal requirements for CPA firms under 61-28B-13.B NMSA 1978, rather than being specified in 61-28B-9.

### **PERFORMANCE IMPLICATIONS**

According to RLD, SB 262 would clarify renewal application deadlines for both CPA licenses and CPA firm permits, and reinstatement requirements for both CPA licenses and CPA firm permits. RLD believes this change will allow Accountancy Board staff to administer the Public Accountancy Act in a consistent fashion and provide CPAs, firm permit holders, and the general public with accurate information regarding statutory citations.

### **FISCAL IMPLICATIONS**

There are no known fiscal implications related to passing this legislation.

### **ADMINISTRATIVE IMPLICATIONS**

Because this legislation removes specific dates from statute, a possible effect would be the breakdown of administrative and board workload into a relatively steady flow rather than heavy workloads separated by long periods of relatively light workload levels.

### **RELATIONSHIP**

HB306 will extend the Public Accountancy Board's life by setting the board's sunset to a future date.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

According to RLD, the current language in Section B of 61-28B-13 NMSA is misleading as CPA licenses and firm permits to practice are two separate types of licenses. The department asserts that if this bill is not enacted, CPAs and holders of firm permits will continue to be confused about renewal deadlines and reinstatement requirements, and Accountancy Board staff will not be able to provide licensees and the general public with accurate statutory citations.

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